

# Fix and Flip (All Property Types) Program

CURRENT RATES	
Base Rate (Purchase, Purchase-Rehab)	13.9%
Refi-Rehab (R/T Refi, C/O + Rehab)	13.9%
Non-Standard	14.9%
< \$50k (All)	16%

	FIX & FLIP
Loan Amount	<ul style="list-style-type: none"> <li>Min: \$50,000</li> <li>Max: \$5,000,000</li> </ul>
Maximum Loan to Cost	<ul style="list-style-type: none"> <li>Up to 80% of Purchase Price</li> <li>Up to 100% of Rehab Costs</li> </ul>
Maximum Loan to ARV	<ul style="list-style-type: none"> <li>Up to 65%, exceptions to 70%</li> </ul>
FICO & Payment Reserves	<ul style="list-style-type: none"> <li>Minimum IR = 3 months</li> <li>If past bankruptcy, foreclosure, or FICO &lt; 620: 12 month IR</li> </ul>
Term Length	<ul style="list-style-type: none"> <li>up to 12 months, 24 mo w/ fee</li> </ul>
Recourse	<ul style="list-style-type: none"> <li>Full Recourse</li> <li>Pledge of Shares</li> </ul>
Experience	<ul style="list-style-type: none"> <li>All levels considered (leverage based on experience)</li> </ul>
Profit Test	<ul style="list-style-type: none"> <li>Minimum \$15,000</li> <li>If fail, must pass 1.20</li> <li>DSCR test on a market 30 year FRM</li> </ul>

LOAN CLOSING ISSUES	
PROBLEM	GUIDELINE
Entity Status	<ul style="list-style-type: none"> <li>Certificate of Good Standing required if entity is ≥ 1 year old</li> <li>Certificate cannot be older than 90 days</li> <li>Foreign entity registration required in all states where the loan attaches to a property</li> </ul>
Title Issues	<ul style="list-style-type: none"> <li>Clean title</li> <li>No exceptions to Schedule B permitted</li> <li>Will not fund unless gap insurance provided</li> </ul>
Closing Attendance	<ul style="list-style-type: none"> <li>All guarantors must sign loan documents</li> </ul>
Insurance	<ul style="list-style-type: none"> <li>Must conform to guidelines, no exceptions</li> <li>Steadily insurance quote required for F.P.I. U/W budget</li> </ul>

LETTER OF EXPLANATION REQUIREMENTS CREDIT	
	WHEN TO COLLECT LOE
30D	if past due > \$0 and <> EDU
60D	if past due > \$0 and <> EDU
90D	if past due > \$0 and <> EDU
Collection Account	if > \$2K tradeline and no (medical or utility)
Bankruptcy	if < 7 years old
Foreclosure	if < 7 years old
Forbearance	if active and not covid related
IRS Lien	if active
Liens	if active and > \$10,000
Judgments	if active and > \$10,000

LETTER OF EXPLANATION BACKGROUND	
Traffic	No
Driving under the influence	2 or more times
Marijuana	2 or more times
Misdemeanor	Always
Felony	Always

HARD NO LOAN TYPE	
<ul style="list-style-type: none"> <li>Financial crimes on background check</li> <li>&gt; 85% initial loan to cost; &gt; 100% construction holdback/reno budget; &gt; 70% ARLTV</li> <li>Owner occupied properties</li> <li>Exotic properties in rural areas</li> </ul>	<ul style="list-style-type: none"> <li>Advancing against 'finder's fees' – wholesalers are OK, see guidelines below</li> <li>Deals without a viable exit (profitable flip or rental loan refinance)</li> </ul>